

UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION

*In the matter of Telemarketing Rulemaking -*

FTC File No. R411001

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COMMENTS OF TELEDIRECT INTERNATIONAL INC.  
REGARDING THE PROPOSED REVISIONS TO THE TELEMARKETING  
SALES RULE

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INTRODUCTION

As President and CEO of TeleDirect International, Inc., a manufacturer of marketing automation software that provides technology for the Telemarketing Industry, I am writing to comment on the proposed revisions to the Telemarketing Sales Rule as noted in Section IX, D., 11. wherein the commission is requesting comments regarding additional language that could be added to the TSR.

Our firm is located in Scottsdale, AZ and has been providing solutions to the telemarketing industry for over 13 years. Our customers include some of the largest and most respected companies in the United States. These customers utilize our software to create and manage their telemarketing campaigns. Our customers are reputable and ethical businesses who go to great lengths and expense to;

- target the appropriate audience for their products and services,
- ensure that their representatives are adequately trained to be courteous and respectful of the customer,
- ensure compliance with local and federal laws and,
- avoid calling those individuals who have requested not to be called.

Many of our customers have expressed concern that their businesses will be greatly impacted if the commission imposes restrictions on their ability to take advantage of cost saving technology such as predictive dialers. We are concerned that the actions of some less ethical businesses are being viewed by the commission as the “rule” versus the “exception”. We are also concerned that some consumer privacy groups may be misleading consumers by inferring that predictive dialer technology is being utilized to intentionally mask Caller ID information.

Like any technology a predictive dialer should be utilized and managed appropriately. **We** do not support any rules and regulations that would preclude our customers **fi**om the right to benefit from this technology **any** more than we would support **any** rules and regulations that would ban the **use** of computers just because some choose to use them illegally.

The following is our response to Section IX, D, 11.

Regarding the commission's question about mandating a maximum **setting** for abandoned calls, we feel that the guidelines established **by** the ATA are reasonable for consumers and reflect the best interests of **our** customers. The ATA has not endorsed **a set** abandonment rate standard, believing each company should utilize the lowest possible rate commensurate with effective marketing. It recognizes that the optimum rate **may** vary according to the specific program, the product being offered, the target audience, and the time of day the call is made. We also concur with the majority of our customer's views that high call abandonment **is** not a good practice. We also feel that it would be impractical and costly for telemarketers to be forced to adhere to a 0% abandonment mandate.

A mandate of this magnitude would severely cripple the telemarketer's ability to leverage the cost advantages **of** Predictive Dialer technology. The cost benefits that telemarketers derive **from** predictive dialers are considerable as compared to manually dialing. The **goal** of predictive dialing technology is to enable telemarketers to spend 100% of their time marketing their products and services versus dialing the telephone. Manual dialing on the other hand can reduce a telemarketer's productivity by **as** much as 75% (based upon the industry accepted first call completion rate of **25%**).

Our experience is that most of our customers make every **effort** to optimize the efficiencies of their predictive dialer **so** that they minimize abandoned calls to prospective customers.

If this were to be mandated asking the telemarketer to provide the commission with system reports would be an option regarding how to **"police"** it. These "system generated" reports would list calls abandoned **by** the dialer after dialing a complete phone number. The report would display the numbers and percentage of abandoned calls for **a** given period of time that would allow the **FTC** to determine if in fact the actual abandonment rate was within the FTC mandate/guidelines.

**This** approach would be very costly for the commission **to** administer. The commission would be required **to** process and investigate potentially thousands of complaints. The industry would be adversely impacted, as they would also be required to file the appropriate response to commission's inquiries. Ultimately the consumer would pay for such a program via increased **taxes** and more costly products and services.

Regarding the commission's question about limiting the use of predictive dialers to only those telemarketers who are able to transmit Caller ID information, we oppose any rules and regulations that would mandate that every telemarketing call made by a predictive dialer display a number on the Caller ID box of a consumer. **Our** opposition to such a proposal is primarily due to the fact that it is technologically impossible given the limitations inherent in today's common carrier equipment.

As a clarification, it is not the predictive dialer that transmits the caller ID, but instead the local exchange carrier. **Any** telemarketer, dialing manually can block Caller ID by keying certain numbers before or after the dialed number or subscribing to "Call Blocking" with their local exchange carrier.

We do on the other hand support proposed rules and regulations that would prohibit telemarketers **from** deliberately blocking Caller ID services. Our customers **are** legitimate businesses that want the consumer to know who they are and would not **deliberately** seek to block the Caller ID signal for purposes of deception or to mislead consumers.

We agree that Caller ID service, where available, is a positive measure that can be very useful for consumers in order to screen calls. However, simply having Caller ID service **may** not alleviate completely the concerns consumers now have. For example, many consumers have interpreted a Caller ID display of "unavailable" or "out of area" **as** a deliberate result of interference through the programming of a telemarketer to mask the Caller ID. In many cases the "unavailable" and "out of **area**" messages stem from the inability of common carrier equipment to **transmit** the Caller ID signal over T1 trunk lines and different switches between the various telephone companies in **different** regions **of the country**. Therefore, consumers must be proportionately educated about the realities **of** the Caller ID service.

Attempting to meet **an** unattainable standard would impose ruinous financial burdens on industry with **a** commensurate negative impact on employment and business income and taxes.

Regarding the commission's question about the benefit to businesses and charitable organizations being allowed to play a recorded message when the use of a predictive dialer results in a shortage of telemarketing agents to take the call, we would not oppose such a recommendation as it could potentially alleviate some consumer anxiety **and** frustration. However it is our understanding that federal law currently prohibits the playing of **a** recorded message that could identify the caller.

In conclusion, we appreciate the opportunity the commission has provided us to comment on the proposed revisions, and to summarize we ask the commission to:

- Not enact rules and regulations that would require telemarketers to set a maximum call abandonment rate. Continue working with the ATA, DMA, consumer advocates, and industry representatives in order to better understand the disparity between the consumer's perception of an abandoned call and a truly abandoned call.
- Not enact rules and regulations that would mandate that predictive dialers be used only if telemarketers can transmit Caller ID and understand that it is not the predictive dialer that transmits or blocks Caller ID. Continue working with the ATA, DMA, consumer advocates, and industry representatives in order to better understand the issues and limitations with today's common carrier equipment and how that impacts the reliability and subsequent viability of using Caller ID service to police abuse.

On behalf of TeleDirect and our customers we ask the commission to consider our comments and concerns as you exercise your duty to represent the best interest of the people. We would be happy to cooperate in anyway we can to help educate, and support the commission while you investigate these matters.

Sincerely,



Kathleen M. Kelly  
President/CEO  
TeleDirect International, Inc.

March 25, 2002